

Article 7 – Audit and Governance Committee (current Terms of Reference)

Form and Composition

The Council will appoint 7 Councillors to the Audit & Governance Committee. The Committee must be politically balanced. Members of the Cabinet, Group Leaders and the Chair of Overview & Scrutiny Committee must not be a Member of the Audit & Governance Committee. There shall be at least 4 meetings of the Audit & Governance Committee in each municipal year.

One or more Parish or Town Councillors may be co-opted onto the Committee when considering the outcome of an Investigation in relation to a complaint against a Parish or Town Councillor.

Training in quasi-judicial matters will be made available to all Members of the Audit & Governance Committee. Any Member who has not taken part in such training as deemed necessary by the Monitoring Officer to the Council will not be permitted to sit at meetings of the committee or attend such meetings as a substitute.

Terms of Reference

Audit Activity

- To review the appropriateness of the proposed annual and medium term (3 year) plan for internal audit activity across the Council and the bodies for which it either holds accountable body status or areas which are contracted out but require further assurance or investigation.
- To consider the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider summaries of specific internal audit reports as requested by the Audit & Governance Committee.
- To consider any reports dealing with the management and performance of the internal audit service.
- To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- To consider the external auditors' annual letter, relevant reports, and the report to those charged with governance.
- To receive any detailed responses to the external auditors' annual letter.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To liaise with the Audit Commission over the appointment of the Council's external auditors.
- To commission work from internal and external audit.

Regulatory Framework / Risk Management

- To maintain an overview of the Council's Constitution in respect of Contract Procedure Rules, and financial regulations.
- To monitor the effective development and operation of risk management and corporate governance in the Council.
- To assess the robustness of the Council's risk management and corporate governance processes and make recommendations to the Cabinet for improvement as appropriate.
- To monitor Council policies on "Whistleblowing" and "Anti-Fraud and Corruption" and the Council's complaints process.
- To oversee the production of and approve the Council's Annual Governance Statement. In undertaking this task to take a view as to the robustness of the information presented and inherent risks associated on a backward and forward looking basis.
- To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- To consider the Council's compliance with its own and other published standards and controls.
- To investigate the robustness of the Section 151 Officer's assessment of risk during the budget process in particular the level of balances and provisions held, the inherent risk within the authority both in terms of track record and capacity to deliver agreed policies etc.

Accounts

- To review and approve the unqualified annual statement of accounts in line with the statutory requirements including those relating to the publishing deadlines. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council. If the statement of accounts is qualified it will be debated by Full Council.
- To consider the external auditors' report to those charged with governance on issues arising from the audit of the accounts.

Reporting Mechanism

- To make recommendations as appropriate to the Cabinet and Council arising from the consideration of any issues within the remit of the Committee, including the review of any issue referred to the Committee by the Chief Executive or a Director or any Council body.

Ethical Framework

- To create and monitor the Ethical Framework of the Council and particularly to include:
 - Promoting and maintaining high standards of conduct by Members, any co opted members and officers of the Council when they are acting in that capacity.
 - Developing and monitoring Codes of Conduct and protocols for Members and employees of the Council and to make any necessary recommendations on these to the Council.
 - From time to time reviewing and recommending any amendments to the Codes, subject to consultation with Cabinet where amendments are proposed to Codes or protocols applying to Members/employees of the Council.

- Adopting and maintaining '[arrangements](#)' in relation to allegations of failure by Members and co opted members to comply with the Suffolk Code of Conduct, and any failure by a Parish or Town Councillor within the district to comply with the Code of Conduct adopted by the relevant Parish or Town Council.
- To consider and determine whether to uphold any finding by the Independent Person, of an alleged breach of the relevant Code of Conduct, following investigation, by a Member or co opted member of the Council, or member of a Town or Parish Council.
- To make representations to the Local Government Association and Central Government or other organisations, about any matter relating to the general principles of conduct for Members or employees of the Council.
- To consider and make any relevant recommendations to Council that will improve the effective discharge of Council functions, in relation to any of the following policy or protocols forming the Council's Ethical Framework:
 - (a) [Protocol on Councillor/Officer relations.](#)
 - (b) [Protocol for Officers and Members dealing with planning matters.](#)
 - (c) [Protocol for Officers and Members dealing with licensing matters.](#)
 - (d) [Protocol on use of IT facilities by Councillors.](#)
- To consider and determine any issues in connection with the Public Interest Disclosure Act 1998 or any other legislation which appears to the Committee to be relevant.
- To be responsible for liaison between the Council and external agencies, District Auditor and the Local Government Ombudsman, in connection with any matter within the Committee's terms of reference.
- To provide advice and guidance to Members and employees and make arrangements for training in connection with any matters within the terms of reference of the Committee.
- To consider written requests for dispensation from District Councillors when one or more of following circumstances arise:
 - (a) That so many members of the decision-making body have Disclosable Pecuniary Interests in a matter that it would "impede the transaction of the business". In practice this means that the decision-making body would be inquorate as a result;
 - (b) That, without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter;
 - (c) That the Committee considers that the dispensation is in the interests of persons living in the authority's area;
 - (d) That, without a dispensation, no Member of the Cabinet would be able to participate on this matter; or
 - (e) That the Committee considers that it is otherwise appropriate to grant a dispensation.
- To consider any appeals against the Monitoring Officer's refusal to grant a dispensation.
- To consider and deal with Ethical Framework issues arising from internal and external audit reports and complaints against the Council.

- To receive six monthly reports of the Monitoring Officer regarding the suitability and robustness of the “arrangements” for dealing with complaints against Members of the Council or Town and Parish Councils.
- To monitor and evaluate the Constitution and democratic processes thereunder and in consultation with the Monitoring Officer recommend changes to its content in order to improve governance or in direct response to a Motion passed by Council to undertake a review.
- To provide an annual report to the Council on the work of the Committee and the level of compliance with the Council’s Ethical Framework through the Council’s Annual Governance Statement.